



The impact of Transformational Leadership on employee performance during Covid-19: A literature review

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ABSTRACT

The performance of employees is crucial for the success in achieving the organization's targets. When employee performance is good, the organization's performance will also be good, and conversely, if employee performance is poor, the organization's performance will decline. Many factors can influence employee performance, one of which is the leadership style of the employee's leaders, which in this study is about transformational leadership. The role of transformational leadership includes providing inspiration and motivation for employees to develop themselves, ultimately leading to their best efforts. The purpose of this study was to review systematically the existing research on transformational leadership and its relation to performance. This study is a literature review that attempts to examine research related to the relationship between transformational leadership and employee performance. This study traced researches related to transformational leadership from 2013 to 2023. The findings obtained are that transformational leadership, through its four dimensions, can influence performance. This study will offer opportunities for further empirical research, related to other leadership style that can affect employee performance.

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INTRODUCTION

Since the end of 2019, the world has been confronted with the Covid-19 pandemic situation, which has forced all sectors to adapt to carry out their daily activities. To prevent and control the widening spread of the coronavirus, the government is required to take emergency measures by restricting the mobility of the community, which has an impact on the alteration of the structure of human life (Santoso et al., 2022). The pandemic situation has limited the capabilities and movements of both private and government organizations in carrying out their operational activities, where comprehensive changes are needed to ensure the smooth continuation of the organization's primary activities even under limited conditions.

In facing the inevitable changes due to the pandemic, organizations must make adjustments in carrying out their work. The role of leaders is crucial in ensuring that government

regulations and guidelines are adhered to and accounted for by organizations during the pandemic (Widharto et al., 2022). Leaders are expected to provide positive influence, which is crucial in supporting the flow of activities and flexibility of a company or institution (Hutabarat et al., 2023). A leader is responsible for motivating employees within the organization to achieve optimal performance outcomes (Indragiri, 2022). Leadership is one of the factors that significantly influences employee performance (Sulasmi et al., 2020). Leadership style within organizations is among the factors that must adapt and change abruptly with the sudden arrival of the Covid-19 pandemic (Mathende & Karim, 2022; Meiryani et al., 2022). Among various studies and theories on leadership styles, one of them is Transformational Leadership, which is considered suitable for implementation during the Covid-19 pandemic crisis (Fitriati & Marsanty, 2023; Mathende & Karim, 2022; Purwanto & Nurhasanah, 2022; Santoso et al., 2022; Widharto et al., 2022), where it is also proven that transformational leadership is one of the leadership styles that has a significant impact on performance (Arijanto, 2019; Calen & Ronny Edward, 2019; Liansah & Noviandy Aulia, 2022; Magdhalena et al., 2023; Riyanto, 2021; Sumadi & Nur Fitri, 2019; Susilawati et al., 2021).

Many previous studies have been conducted on transformational leadership styles. However, there has been limited research delving deeper into its impact on performance, especially in the face of the Covid-19 pandemic and the new normal era. The general objective of this research is to analyze the implementation of transformational leadership in efforts to address the Covid-19 pandemic and the new normal era. The specific research objectives include: First, identifying the factors of transformational leadership that are applicable during the Covid-19 pandemic. And second, analyzing the effect of transformational leadership on employee performance during the Covid-19 pandemic.

BACKGROUND OF THE STUDY

Transformational Leadership

Transformational leadership is a leadership style characterized by the ability to envision the future with confidence, enthusiasm, and a belief in one's own capabilities to succeed amidst competition (Komariyah, 2022). Based on the theory of Bass and Avolio, transformational leadership is a conscious, moral, and spiritual process that provides developmental patterns for organizations through a reliable and equitable distribution of authority within the leadership (Moradi Korejan & Shahbazi, 2016). The presence of a leader employing transformational leadership style can motivate and inspire followers. This is due to the philosophy within this leadership style that is capable of combining and harmonizing the interests of the organization and the personal interests of employees, creating a sense of mutual respect (Affandie & Sopiah, 2022).

Transformational leadership is a leadership style that consists of four dimensions (Moradi Korejan & Shahbazi, 2016). First, inspirational motivation, where an inspirational and motivational leader is one who challenges their subordinates with work-related tasks, provides a clear perspective on how to achieve targets, and remains optimistic about the future by enhancing workplace efficiency. Second, individualized consideration, where a leader will adopt attitudes and treat their employees according to their characteristics and abilities, providing attention to each individual to foster a healthy relationship by offering opportunities for learning based on their interests and talents. Third, intellectual stimulation, where leaders encourage their subordinates to cultivate motivation and creativity by adapting approaches and providing open opportunities, with the primary goal of fostering the generation of ideas and imagination freely, thereby introducing new approaches and techniques in the work. And fourth, idealized influence, where leaders serve as role models for their followers through their friendly, respectful, and trusting attitudes towards their subordinates.

Organizations cannot avoid the demands for change to survive amidst the Covid-19 pandemic. This change is mandatory for organizations as they face numerous challenges,

uncertainties, and lack of clarity regarding the global situation. Hence, they need to implement new forms of work culture that align with the circumstances (Santoso et al., 2021). In order to create a fundamental changes, a transformational leader will build and uphold commitments within the organization (Emita et al., 2021). The critical situation faced by companies due to the Covid-19 pandemic is more aptly handled by a transformational leadership style. This is due to essential attributes such as innovation-related ideas, strengthening teamwork, sharing opinions among colleagues, and effective crisis management (Alharafsheh et al., 2023).

Employee Performance

Performance is the entire set of processes and activities carried out by a company or organization, encompassing the responsibilities and integrity of management, where the success or failure of these processes heavily depends on the human resources personnel undertaking them (Abdullah & Holida, 2023). Performance can be measured based on several factors, including: quantity and quality of work—how much and how accurately a task can be completed; depth of knowledge—the employee's understanding of the work that needs to be done; cooperation—the ability of employees to coordinate with others related to task completion; attendance—the level of employee presence during specific working hours set by the organization; and initiative—an employee's action to initiate or start a new idea in an effort to solve a problem or task (Robbins S et al., 2017). Basically, all the adjustments and changes that organizations strive for have the goal of enabling them to survive and continue to achieve the performance targets of the entity, even in the face of obstacles and challenges due to the Covid-19 pandemic. Thus, in order to maintain their performance in the new normal era, organizations must have the ability to continue their activities while implementing health protocols in accordance with government regulations related to Covid-19 (Masrurroh et al., 2021).

RESEARCH METHOD

This research falls into the category of a literature review, where a comprehensive review is conducted to consolidate a range of literature references in a field without the collection or analysis of primary data (Lau, 2017). The data source in this research falls into the category of secondary data, where all of it is collected by the researcher indirectly through intermediaries where data obtained and recorded by third parties (Supomo & Indriantoro, 2016). This study does not address all leadership styles but focuses on the relationship between transformational leadership and employee performance in the existing literature, through a review of several empirical studies carried out an in-depth analysis.

The researcher identified reference journals for the study by entering relevant keywords in the journal search, namely transformational leadership and performance. This study analyzes journal articles published in the last 5 years, from 2019 to 2023. A literature review was conducted on 25 articles in both Indonesian and English, indexed in Scopus or Sinta journals. The researcher selected journal articles with inclusion characteristics, meaning articles that can be openly accessed by anyone in their entirety. Subsequently, the article and citation files were downloaded and systematically organized based on the publication year for further observation and study. All journal articles that have been downloaded were then systematically extracted and compiled into a table displaying 7 articles to represent and describe other journal articles, as shown in Table 1.

Table 1. Summary of Research Journal

No	Research Title	Year	Researcher	Method	Summary of Findings
1	Transformational Leadership In Increasing Employee Performance Productivity	2023	Abdullah, Nur Holida	Qualitative	The study concludes that the characteristics of a transformational leader in the studied population have a significant impact on administrators performance and

2	The Effect of Principal Transformational Leadership and Motivation on Performance of Teacher in Islamic Elementary School	2023	Yoesoep Edhie Rachmad, Ahmad Moka, Eulis Sri Rosyidatul Badriyyah, Evi Gusliana, Muhamad Risal Tawil	Quantitative	are capable of building and maintaining the values believed by the organization. The results of this study indicate a direct positive influence between transformational leadership on performance, a direct positive influence between work motivation on performance, a direct positive influence between transformational leadership on work motivation, and an indirect positive influence between transformational leadership on performance through work motivation.
3	The Effects of Leadership to Employee Performance During Covid-19 Pandemic	2022	Purwanto S.K., Nina Nurhasanah	Quantitative	The study found that there is significant influence between the leadership role and employee performance to overcome the impact of Covid-19.
4	Transformational Leadership Role on Work Performance under the COVID 19 Pandemic in Zimbabwe	2022	Tonderai Mathende, Asif Mahbub Karim	Quantitative	The result of the study determined that transformational leadership dimensions are able to predicts the work performance.
5	Exploration of Transformational Leadership in Handling COVID-19	2022	Widharto, Hamidah, Budi Santoso, Rachma Fitriati	Qualitative	The application of the transformational leadership is considered able to solved problems during the outbreak of Covid-19.
6	How to Maintain Employee Performance in The New Normal Era?	2021	Rina Masruroh, Dadang Suhardi, Aris Budiman, Revatriana Permana, Muhammad Lutfan Syarif	Quantitative	The study results indicate that Transformational Leadership style and Organizational Commitment have a significant effect on readiness for change and also on employee performance.
7	The Effect Of Transformational Leadership Style And Job Motivation On Job Performance Teachers Of Upper Secondary School At Jonggol	2019	Fariz Azhari, Bedjo Sujanto, Suryadi	Quantitative	The research findings described that there is a positive direct influence transformational leaderships style on both job performance and job motivation, and also positive direct influence of job motivation on job performance.

Table 1 shows some of several reference journals that serve as the foundation for the literature review in the research.

RESULTS AND DISCUSSION

The changes in the external environment due to the Covid-19 pandemic force organizations, willingly or not, to adapt and be open to change. Organizations are required to make adjustments in various aspects. Leaders perceive this as an opportune moment for innovation and the emergence of new ideas that support company activities (Santoso et al., 2022). One of the leadership styles suitable for implementing innovation and fostering new ideas and changes for an

organization is transformational leadership, due to its primary ability to play a role in motivating and inspiring organizational members to contribute and participate in the implementation of change processes (Abdul Sahid et al., 2023).

Transformational leadership style is capable of influencing employee performance. This means that leaders utilize and optimally implement the dimensions found in the transformational leadership style as a tool that encourages employees to prioritize their personal abilities, enhancing them over time, and ultimately leading to improved job performance. Employees will feel that their personal development needs are considered by their superiors, which will arouse mental stimulation, enhance organizational member engagement, leading to an increased tendency for employees to make efforts in achieving a target and delivering high performance for the organization. Next, we will discuss in more detail the influence of each dimension of transformational leadership and its impact on employee performance.

The first dimension of transformational leadership is inspirational motivation, which means that the leader is capable of providing work-related challenges to subordinates. These challenges stimulate employees to enhance efficiency and effectiveness in performing a task. Challenges also serve as motivation for employees to achieve outcomes better than before, surpassing the set performance targets rather than merely meeting them. In this dimension, leaders also provide a clear perspective and guidance on how to achieve a future target, making it easier for subordinates to understand the goal and take the necessary steps to reach it.

In the second dimension, individualized consideration, it means that a transformational leader will strive to address and treat subordinates appropriately, tailored to their individual characteristics and unique abilities. Individual characteristics refers to the unique qualities, traits, attributes, or features that distinguish one person from another. These characteristics can encompass a wide range of aspects, including personality traits, skills, abilities, preferences, values, and experiences. Understanding individual characteristics in leadership is crucial as it helps tailor approaches, interventions, or strategies to better align with the specific attributes of each individual. With this comprehensive understanding of individual characteristics, a transformational leader can more easily provide guidance and instructions that are well-received by subordinates, ultimately supporting the achievement of optimal performance. Understanding employees' capabilities is also crucial, as it is the process of measuring how much each employee's role and contribution individually contribute to the outputs and outcomes expected by the organization. The leader will be able to assess the right personnel to undertake a task that does not exceed their capabilities, ensuring that the overall performance of the organization is not hindered by employees who may be less competent due to being in an inappropriate position.

Intellectual stimulation is the third dimension in the transformational leadership style. In this dimension, transformational leaders support their subordinates by fostering motivation and creativity through applying modified approaches and opportunities for them. The leader will attempt to trigger their employees to have a high level of curiosity and critical thinking in facing tasks and challenges encountered in their daily work, as well as how to find the most suitable solutions in an exceptional manner. In facing the constantly changing internal and external environment, this critical thinking will ultimately provide the organization with the ability to remain adaptive and resilient, and even perform better, enabling it to excel compared to its competitors.

The fourth dimension in transformational leadership is idealized influence, which means that friendly behavior of the leader that can be observed by employees becomes a factor that makes the person admired, respected, and trusted by their subordinates. A transformational leader prioritizes the interests of their subordinates above their own and will not expect or command followers to do something they themselves are not willing to do. They will demonstrate their authority and competence as a leader only in ways that will be respected by others. Thus, when a leader has gained the trust of their subordinates, any command they give will be easily followed and implemented, ultimately leading to the successful achievement of organizational objectives.

CONCLUSION

The research is a form of study that conducts a literature review discussing the concepts of transformational leadership and its relationship with employee performance. This research also provides an overview of conceptual development and expands the literature references discussed. Through this research, it was found that transformational leadership has a positive and significant impact on employee performance. The positive relationship is formed through the combination of the four dimensions present in transformational leadership, namely inspirational motivation, individualized consideration, intellectual stimulation, and idealized influence, where all together they form motivation from within the employees through considering various aspects, so that employees feel noticed by their superiors, thus increasing their effort to perform better in time.

This research contributes to the science and educational aspect by providing wider insights into the influence of transformational leadership on employee performance. This knowledge can enrich and deepen our understanding of how a specific leadership style, in this case, transformational, can have a tangible impact on employee performance outcomes. Furthermore, in relation to managerial implications, it is expected that the results of this study can provide insights for organizational practitioners to achieve and enhance the performance of their employees by implementing appropriate leadership patterns, especially in the face of numerous changes and adjustments to organizational work methods during the Covid-19 pandemic and the new normal era.

LIMITATIONS AND FUTURE WORKS

Some limitations of this research: This study has limitations in the variables examined. Suggestions for the next research is any other leadership style other than transformational can be included to widened the concept development. The dependent variable other than employee performance also can be added that is expected that in future research, such as job satisfaction, compensation, organization culture, and others can be included to provide a more comprehensive literature review.

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